Rise in prices of Nickel and Cobalt

225 SHRI SUBAS MOHANTY: Will the Minister of STEEL AND MINES be pleased to state:

(a) whether there has been a steep rise in the prices of nickel and cobalt;

(b) whether the country is losing huge amount of foreign exchange by importing these strategic metals;

(c) whether huge deposit of these minerals has been found in Sukinda Valley in Cuttack district of Orissa;

(d) whether there is a proposal for setting up of a nickel extracting plant so that the growing domestic demand of these metals can be ment and foreign exchange saved; and

(e) if so, the steps proposed to be taken in the matter?

THE MINISTER OF STEEL AND MINES (SHRI MAKHAN LAL FOTEDAR): (a) and (b) There is no indigenous production of nickel and cobalt in the country. The total requirements of these metals in the country are met through imports. The import of nickel is canalised through Minerals and Metals Trading Corporation (MMTC) and the requirements of cobalt are met through imports under Open General Licence.

The total quantity and value of import of primary nickel during the last three years was as under:-

Year	Quantity (MT)	Value (Rs. crores)
1985-86	5500	35.57
1986-87	3424	17.71
1987-88 (Prov.)	6970	55.00

As far as cobalt is concerned, the total demand of the country is currently estimated at about 150 Metric Tonnes. During 1985-86, the total quantity and value of cobalt and its alloys imported was 130.94 MT valued at Rs. 4.54 crores.

In the recent past, international prices of nickel have risen sharply due to tight availability of the metal in the international market and increase in demand by users particularly in the steel making industry.

(c) to (e) Nickel ore reserves in the country as on 31-3-1983 are estimated at 165 million tonnes averaging 1.04 per cent nickel at the cut off grade of 0.7 per cent nickel. Out of this 154.50 million tonnes of 1.05 per cent nickel are located in the Sukinda area, Cuttack Distt. of Orissa.

In April, 1974, sanction was accord for setting up a 4,800 tonnes per annum nickel and 200 tonnes per annum cobalt extraction plant based on Sukinda Nickel deposit. The technology, when tried on a pilot plant scale, did not yield satisfactory results. It, therefore, became necessary to re-evaluate the available data. The evaluation undertaken revealed the need for additional exploration, laboratory and pilot plant test work before preparation of a feasibility report. It was found that the cost of carrying out further studies itself required would be about Rs. 48.71 crores. In view of adverse economics of producing nickel at Sukinda and severe constraints on resources, the project is not being pursued.

Hindustan Zinc Ltd. is setting up a plant for extraction of cobalt from Beta Cake which is a residue from the Zinc Smelter. The plant is expected to be commissioned by January, 1990.

226. [*Transferred to the 14th November*, 1988].